



FUNDAMENTALS OF BUDGETING FOR PUBLIC LIBRARIES

Presented by; Miles Benton

MT Department of Administration-Local Government Services



Local Government Budget Act

- **7-6-4001, MCA**
- (1) This part may be referred to as the "**Local Government Budget Act**".
- (2) This part applies to **all local governments.**



Local Government Budget Act

- **7-6-4002. Definitions.** As used in this part, unless the context requires otherwise, the following definitions apply:
 - (1) "Governing body" means the **elected** body responsible **for the administration** of a local government.



Local Government Budget Act

- **7-6-4005. Expenditures limited to appropriations.** (1) Local government officials **may not make a disbursement** or an **expenditure** or incur an **obligation in excess of the total appropriations** for a fund.
(2) A **local government official** who violates subsection (1) **is liable** for the amount of the excess disbursement, expenditure, or obligation **personally**.



Local Government Budget Act

- **7-6-4006(4)** The **governing body** may **amend the budget** during the fiscal year by conducting **public hearings** at regularly scheduled meetings.
- Budget amendments
 - **must** identify the fund reserves, unanticipated revenue, or previously unbudgeted revenue that will fund the appropriations.
 - should describe the nature of the expenditure & state the funds **total** original budgeted appropriations and the amended budgeted amount for total appropriations.



EXAMPLE OF LANGUAGE IN A BUDGET RESOLUTION

Resolution No. 2010-01

A Resolution amending the original FY 2010 budgeted appropriations of the Library Fund # 2220.

Whereas, the XYZ Public Library received a Library Literacy Grant in the amount of 5,000.

Whereas, the XYZ Public Library did not appropriate the expenditure of grant revenues in its FY 2010 budget.

Therefore, be it resolved the XYZ Public Library Board of Trustees, amends the FY 2010 original budgeted amount of \$3,000 to \$7,000 for supplies and the original budgeted amount of \$16,000 to \$17,000 for personal services. Total appropriations for the Library Fund are amended from \$114,911 to \$119,911 for fiscal year ending June 30, 2010.

Adopted this 26th day of March, 2010

XYZ PUBLIC LIBRARY

BOARD OF TRUSTEES

By: _____
Chairman

ATTEST:

By: _____
Secretary



Local Government Budget Act


- **7-6-4020 (1). Preliminary annual operating budget.** A preliminary annual operating budget must be prepared for the local government.
- **(3)(a)** Before **June 1** of each year, the county clerk and recorder **shall notify** the county commission and each **board**, office, or official that they are **required to file preliminary budget proposals** for their component of the total county budget.



Local Government Budget Act

- **7-6-4020(4)** The preliminary annual operating budget **for each fund** must include, at a minimum:

(4)(a) A **listing of all revenue and other resources** for the prior budget year, current budget year, and proposed budget year;



346071	Library collections-lost cards & books	38	30
346072	Library collections-out of country	0	0
346073	County Contribution-Library	87,589	87,589
346074	Library collections-postage	147	100
SUBTOTAL	.....	89,306	88,919
360000	<u>MISCELLANEOUS REVENUES</u>		
362000	Other	0	0
SUBTOTAL	.....	0	0
370000	<u>INVESTMENT/ROYALTY/EARNINGS</u>		
371010	Interest Earnings		
SUBTOTAL	.....	0	0
380000	<u>OTHER FINANCING SOURCES</u>		
383000	Transfers In	5,000	
SUBTOTAL	.....	5,000	0
TOTAL NON-TAX REVENUES..... **		102,801	97,444

****INCLUDE AS NON-TAX REVENUE ON TAX LEVY REQUIREMENT SCHEDULE - COLUMN 5 ON PAGE 53.**



Local Government Budget Act

- **7-6-4020(4)(b)** A listing of all expenditures for the prior budget year, the current budget year, and the proposed budget year. all expenditures must be classified under one of the following categories:
 - (i) salaries and wages;
 - (ii) operations and maintenance;
 - (iii) capital outlay;
 - (iv) debt service; or
 - (v) transfers out.



Local Government Budget Act

- **7-6-4020(5)** The **preliminary annual operating budget** for each fund for which the local government will levy an ad valorem property tax **must include the estimated amount to be raised by the tax.** **(budgeted revenues from mills levied)**



TAX LEVY REQUIREMENT SCHEDULE

- Add estimated cash reserve
- Add beginning cash balance less current liabilities of fund
- Add estimated tax revenue component
- Pulls all pieces of the budget together on one form
- Assures the preliminary budget is balanced
Total requirements = Total resources

TAX LEVY REQUIREMENTS SCHEDULE NON-VOTED LEVIES

*Column (3) Total Requirements must equal Column (8) Total Resources

	(1)	(2)	(3) =(1)+(2)		(4)	(5)	(6) =(9)X(10)	(7) =(5)+(6)	(8) =(4)+(7)	(9)	(11) = (4)- (1)+(7)
Fund Name	Appropriation	Budgeted Cash Reserve	*should equal column (8) Total Requirements		Cash Available (Less current liabilities)	Non-Tax Revenues	Property Tax Revenue	Total Revenue	*should equal column (3) Total Resources	Mill Levy	Estimated Ending Cash Balance
Library	123,265	41,088	164,353		52,738	97,444	14,171	111,615	164,353		41,088
			0					0	0		0
TOTAL	123,265	41,088	164,353		52,738	97,444	14,171	111,615	164,353	0	41,088

Appropriation
amount =Total
Budgeted
Cash Reserve
times 3

33% Cash
Reserve =
Total
Resource
s divided
by 4

Appropriation
amount =Total
Budgeted
Cash Reserve
times 4

25% Cash
Reserve =
Total
Resource
s divided
by 5

Prelim-
inary
budget =
same
amount
as in
prior
year
final
budget

These two columns need to equal in
order for your Budget to balance.

*Appropriations compared to Total
Revenues:

-11,650



Local Government Budget Act

- **7-6-4020(3)(d)Component (preliminary) budgets must be submitted to the clerk and recorder before June 10th;**



Local Government Budget Act

- **7-6-4030. Final budget -- resolution -- appropriations.**
 - (1) The **governing body may amend the preliminary budget** after the public hearing and after considering any public comment.



Local Government Budget Act

- **7-6-4030. Final budget -- resolution -- appropriations.**

(2) The amended budget constitutes the final budget. The **final budget must be balanced** so that appropriations do not exceed the projected beginning balance plus the estimated revenue of each fund for the fiscal year.



Local Government Budget Act

- **7-6-4030. Final budget -- resolution -- appropriations.**

(3) The **governing body** shall **adopt the final budget by resolution.....**



Local Government Budget Act

- **7-6-4036. Fixing tax levy.** (1) The **governing body** shall fix the tax levy for each taxing jurisdiction within the county or municipality:
 (1)(a) by the **later** of the **first Thursday in September** or within **30 calendar days** after receiving certified taxable values;



Local Government Services Bureau

Did you know that the Local Government Services Bureau of the Department of Administration has staff to assist local governments? We would be happy to assist with accounting and compliance issues.

**Website: <http://doa.mt.gov/lgsb/>
MT Depart of Administration
Local Government Services Bureau
301 S Park Ave Room 340,
PO Box 200547 Helena, MT 59620**



Counties by Area

Miles Benton
Area 1 – Helena
Phone: 841-2902
Jcain@mt.gov

Area 1 – Helena
Anaconda-Deer Lodge
Beaverhead
Blaine
Broadwater
Butte-Silver Bow
Cascade
Chouteau
Gallatin
Granite
Hill
Jefferson
Lewis & Clark
Madison
Meagher
Powell
Teton

Darla Erickson
Area 2 – Billings
Phone: 371-5627
derickson@mt.gov

Area 2 – Billings
Big Horn
Carbon
Fergus
Golden Valley
Musselshell
Park
Petroleum
Rosebud
Stillwater
Sweet Grass
Treasure
Wheatland
Yellowstone



Counties by Area (cont.)

Tod Kasten

Area 3 – Circle

Phone: 974-3377

TKasten@mt.gov

Magda Nelson

Area 4 – Kalispell

Phone: 257-5245

mmnelson@bresnan.net

Area 3 – Miles City

Carter

Custer

Daniels

Dawson

Fallon

McCone

Phillips

Powder River

Prairie

Richland

Roosevelt

Sheridan

Valley

Wibaux

Area 4 – Kalispell

Flathead

Glacier

Lake

Liberty

Lincoln

Mineral

Missoula

Pondera

Ravalli

Sanders

Toole



Questions?

